Increase in pension for RBI staff

3020. SHRI RAJEEV CHANDRASEKHAR: Will the Minister of FINANCE be pleased to state:

how often Reserve Bank of India (RBI) has increased the wages of its officers and staff during the last five years ending 31 March, 2008 with the details of every increase;

whether it is a fact that similar increase in emoluments has not been given to pensioners;

if so, the reasons therefor;

whether RBI would follow Government policy to give the benefit of increase to pensioners similar to that given to the working employees; and

if so, by when that would be implemented?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In the last five years ending 31.3.2008, the wages of the officers and staff of Reserve Bank of India (RBI) were revised only once in the year 2005 to be effective from 1.11.2002.

(b) and (c) The employees who were in service on 1.11.2002 and retired thereafter have been granted pension on the basis of the revised pay scales effective from 1.11.2002. The employees who retired prior to 1.11.2002 are granted pension as per RBI Pension Regulations, 1990.

Regulation 28 of the RBI Pension Regulations, 1990 relating to the rate of pension, *inter-alia,* provides that the rate of basic pension will be 50% of the average emoluments. Further Regulation 2(2) defines the average emoluments as the average of pay drawn by an employee during the last 10 months of his service.

(d) and (e) The pension of the RBI employees is governed as per the RBI Pension Regulations, 1990 and the policy of the Government in this regard does not relate to them.

Loan to industries

3021. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a decline in taking loan from banks by the industries due to complicated process of advancement of loan and recession in industrial sector;

(c) whether one of the reason is the higher rate of interest on loans in India as compared to other countries;

if so, whether in the atmosphere of global competition and industrial recession, banks have any plan to attract companies for loans by simplifying the loan process; and

if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) No, Sir. As reported by Reserve Bank of India (RBI), the data for bank credit to industries over the last 3 years reflects a year on year increase in absolute terms:

(Rs. in crore)

2005-06	2006-07	2007-08 (upto Jan., 08)
549,940	696,805	795,280

RBI has further reported that the lending rates in India are comparable with other similarly placed countries like Brazil, South Africa, Indonesia, etc.

and (d) Do not arise in view of above.

National Mission for Financial Inclusion

3022. SHRIMATI MOHSINA KIDWAI:
SHRI VIJAY J.DARDA:

Will the Minister of FINANCE be pleased to state:

whether the Prime Minister's Economic Advisory Council has recommended for the creation of National Mission for Financial Inclusion to provide better access to institutional funds to low income households and individuals; and

if so, by when National Bank of Agriculture and Rural Development (NABARD) with an exclusive corpus of Rs. 500 crore would undertake operations towards setting up such a Financial Inclusion, Promotion and Development Fund, financial inclusion technology, etc.?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) and (b) The Committee on Financial Inclusion, set up under the chairmanship of Dr. C. Rangarajan, Chairman of the Prime Minister's Economic Advisory Council, has recommended Government of India to consider constituting a National Mission on Financial Inclusion (NaMFI) comprising representatives from all stakeholders. The purpose of the Mission is to achieve universal financial inclusion within a specified time frame.

The Committee has submitted its final report to the Government on 4th January, 2008. However, based on the recommendations of the interim report, the Government has constituted a Financial Inclusion Fund for meeting the cost of developmental and promotional interventions and a Financial Inclusion Technology Fund to meet the cost of technology adoption, each with an overall corpus of Rs. 500 crore, with initial funding to be contributed by the Central Government, Reserve Bank of India (RBI) and National Bank for Agriculture and Rural Development (NABARD).

Government of India and NABARD have made an initial contribution of Rs. 10 crore and Rs. 5 crore respectively, in each Fund in March, 2008. RBI is expected to contribute its matching share of Rs. 10 crore in each Fund shortly.

Loans to sugar mills

3032. SHRI N.R. GOVINDARAJAR: Will the Minister of FINANCE be pleased to state:

whether the Reserve Bank of India has formulated any policy regarding grant of loans to the sugar mills on easy installments to bail out the sugar industry; and

if so, the details thereof?